

13 February 1984

MEMORANDUM FOR: Director of Personnel

FROM:

Deputy Director of Personnel for Special Programs

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SUBJECT: Supplemental Retirement - Discussions with Ed Hustead
and Andrew Ruddock

1. On 13 February, we met with Messrs. Hustead and Ruddock to determine what their ideas were on whether we were behind the power curve in dealing with the Congress on supplemental retirement legislation. The following summarizes their thoughts and ideas:

a. The Senate Governmental Affairs Subcommittee chaired by Senator Stevens sees supplemental retirement as a means to cutting budget deficits. The unions are not supporting the efforts by Senator Stevens Committee and thus Jamie Cowen, staffer on Senator Steven's Subcommittee, is attempting to enlist support where possible.

b. The House Committee is attempting to maintain current retirement benefit levels. Congressman Ford's Committee has taken responsibility for supplemental retirement and is more focused on specifics than the Senate Government Ops. More detailed knowledge has been obtained by the House Committee on defined-benefits, defined-contributions, etc.

c. Supplemental retirement legislation is a means for reshaping the U.S. Government retirement system and it appears that whoever works on this matter will obtain recognition. Jamie Cowen likely considers this his "swan song" on the Hill.

d. As part of the House ensuring that the Senate is not given the lead on the retirement issue, hearings have been scheduled for 23 February. Congressman Ford has taken a specific interest in this legislation.

e. The Senate's retirement forums are to be strictly educational and fact-finding no final direction is to be made until the forums are completed.

f. U.S. Government-wide policy decisions have not been made as to whether supplemental retirement should remain at its current cost level or be decreased.

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2. Some suggestions or comments made by Messrs. Ruddock and Hustead follow:

a. The Agency is not behind the power curve at this time on supplemental retirement.

b. Supplemental retirement may dictate impact on coverage of Federal employees hired prior to 1 January 1984.

c. Total compensation is of prime importance--Federal retirement system needs to be better than private industry to offset the fact that private industry's other benefits exceed those of the Federal Government.

d. Agency briefings of Jamie Cowen should be designed to provide him general information such as defined-benefit plan with a thrift plan (401k) add-on and that complicating concerns are survivor/disability benefits.

e. Discussion on CIARDS is best left with oversight committees rather than the overall House or Senate committees.

f. Suggest that Agency management may find it valuable to visit Congressman Ford and possibly Senator Stevens to provide them with broad overview of Agency concerns on supplemental retirement.

g. That the Agency consider ensuring we communicate with Wayne Schley, Staff Director for Senator Stevens Subcommittee. The inference is that Schley is someone better to talk with than Jamie Cowen.

h. That Agency personnel should make contact with Tom DeYulia on Congressman Ford's Committee to learn more about what the House is considering.

OP/SP (13 Feb 84)

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